

THE DOTted LINE

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AN ACQUISITION AND GRANT NEWSLETTER

FALL 1995

PROCUREMENT PERFORMANCE MEASUREMENTS AWARDS SYMPOSIUM

(by Lori Byrd, OST, M-61)

In March and April, 1995, the OST's Office of Acquisition and Grant Management collected procurement performance measurement data from 28 DOT procurement offices that volunteered to participate in DOT's 1995 Procurement Performance Measurement pilot program. DOT used a measurement model created by an interagency team comprised of representatives from DOT, Treasury, GSA, Commerce and HHS.

DOT procurement offices were briefed on the performance measurement process and given customer and employee surveys to complete. The customer survey measured Timeliness, Quality and Service/Partnership from the customer perspective. The employee survey measured Quality Work Environment and Executive Leadership. In addition, the managers completed a self-

assessment survey in which they rated their office in the following areas:

- Quality Workforce
- Acquisition Excellence
- Accurate, Timely, and Efficient Data Collection, and,
- Meeting Mission Goals

Financial statistics were collected from offices to measure Cost Savings and their Cost To Spend Ratio.

All participating offices received their survey and measurement results on May 5, 1995. Each of the 11 measures had two award recipients. Award recipients (Best-In-Class (BIC) or BIC Runners-Up) prepared papers and presentations for the BIC Symposium which was held at the NASSIF building on June 5, 1995. The chart on page 14 lists the award recipients for each measure. Congratulations to all the 1995 Award Winners.

DOT's Deputy Secretary presented each of the award winners with a certificate at an awards ceremony during the BIC Symposium held on June 5, 1995. Some of the best practices shared by the award winners included the use of the following:

- partnering agreements (FAA-Seattle)
- self-directed acquisition work teams (FAA-Kansas City), and,
- natural working groups (USCG-Norfolk)

DOT procurement offices were the first of the Interagency Group (DOT, Departments of Energy, Commerce, Interior, Treasury, State, HHS, GSA, Peace Corps) to collect procurement performance measurement data and share best practices. DOT is continuing to collect measurement data from these agencies. If your office has not been measured, it is not too late. By the end of calendar year 1995, we will provide those procurement offices that have been measured with data on how they compare to other agencies outside of DOT. If you have any questions, or would like to obtain a copy of the best practices papers, or a video tape of the best practices recognition ceremony and award presentations, please call Lori Byrd at (202) 366-6068.

ACQUISITION WORKING SUMMIT

(by Elaine Wheeler, OST, M-61)

In June a group of DOT employees from various operating administrations attended an Acquisition Working Summit sponsored by Vice President Gore's National Performance Review (NPR) and the Office of Federal Procurement Policy (OFPP). The theme of the conference was "Government and Industry Working Together to Cut the Red Tape in Federal Procurement." The major focus was to share ideas on how to "reinvent" procurement to meet the NPR's objective of creating a Government that works better and costs less.

One way DOT, as well as many of the other agencies at the conference, will "reinvent" procurement is through the reinvention laboratory concept which is discussed in the article entitled "Procurement Reinvention Laboratory" found in this issue. On June 8, 1995, Deputy Secretary Downey formally designated DOT as a Procurement Reinvention Laboratory. The President's Management Council has been informed of DOT's designation.

The working summit highlighted the following areas:

- legislative reform measures, e.g., reforming the Procurement Integrity Act;

- industry's reinvention of itself;
- sharing of information; and,
- the Acquisition Reform Net (ARN).

The ARN was one of the highlights of this conference. It is sponsored by the NPR staff and contains the following:

- On-line Federal Acquisition Regulation and Transportation Acquisition Regulation coverage;
- OFPP Policy Letters;
- Links to other networks;
- Federal Acquisition Institute training materials; and,
- Collaborative workspace for discussions on acquisition topics.

We are examining the ARN to see if we can utilize its technology as a clearing-house for disseminating our reinvention laboratory activities.

Attachment 1 is a description of what is required to become a participant and "surf" through the ARN Online. Happy surfing!

PROCUREMENT REINVENTION LABORATORY

(by Robert Carpenter, FRA, RAD-30, and Elaine Wheeler, OST, M-61)

The Department of Transportation (DOT) has joined a growing number of Federal agencies experimenting

with streamlined and "reinvented" procurement practices to simplify the job of procurement personnel and provide better service to our customers. Under the auspices of the Department's Procurement Management Council (PMC), together with the full endorsement of Deputy Secretary Downey and the Secretary's Management Council, DOT has been designated a **"PROCUREMENT REINVENTION LABORATORY (Lab)."** The Lab concept is a direct outgrowth of Vice-President Gore's theme for reinventing Government and the recommendations of the DOT Acquisition Re-Engineering and Realignment Task Force (ARRTF) led by Joseph Kerner of the Federal Railroad Administration.

In May, 1995, the PMC directed the formation of an intermodal Lab Core Team led by Elaine Wheeler from OST's Office of Acquisition and Grant Management (OAGM). The team included representatives from the FAA, FTA, FRA, and OST procurement operations staffs. The Core Team conducted brainstorming sessions to lay the groundwork for the Lab's mission statement. The mission statement was incorporated in a "Partnering Agreement" and signed in July, 1995, by all members of the SMC and PMC. A copy of the Partnering Agreement should now be in all DOT procurement offices.

The reinvention laboratory concept uses waiver (i.e., procedures that can be disregarded) authority and the procurement bottlenecks identified by the ARRTF as its

catalyst for change. The Transportation Acquisition Manual (TAM) will be the first document tested for reform. The DOT procurement community is excited about the Lab concept as evidenced by OAGM's receiving more than 50 suggested waivers to the TAM.

It has been said, "The road to success is always under construction." Empowerment, innovation, and change (with emphasis on quality, streamlining, and partnerships) are key goals in the Lab's mission. Phase I activities to the Partnering Agreement have already begun with planned improvements to the TAM and continuous process reviews for waivers. TAM improvements will be accomplished by testing new ideas through "experiments" and sharing results through a Department-wide clearinghouse. The clearinghouse will then be shared throughout DOT and other government agencies. (Also see the discussion on the clearinghouse contained in the article entitled "Acquisition Working Summit" found in this issue of the DOTted Line.)

Jim Hawkins (OAGM) is the point of contact for all proposed Lab experiments and waiver requests. His phone number is (202) 366-4271 and FAX number is (202) 366-7510. Mr. Hawkins and his staff are available for consultation prior to submittal of any proposed experiment. This initial consultation assists in identifying anticipated TAM waivers (beyond those already granted by the SPE) that may be

needed to accomplish an experiment or those which may be based in statute and therefore can not be waived. In addition, this consultation can help determine if the experiment is being tested by someone else inside or outside the Department.

The Lab Core Team, as well as OAGM staff, are available to provide briefings on Lab activities and processes for interested procurement managers and their staffs. In addition, we would appreciate any suggestions for: (1) improving the Partnering Agreement; (2) additional waivers to the TAM; and (3) waivers to the FAR, TAR or other agency regulations (e.g., Federal Information Resources Management Regulation) that may be helpful in other phases of the Lab. Please contact Elaine Wheeler at (202) 366-4272 in this regard.

We hope that you will examine your procurements to see if any waivers to the TAM will help streamline the procurement process. If so, let us know. It is through your efforts that true breakthrough acquisition reform can occur.

SMALL PURCHASE CARD PROGRAM

(by Barbara P. Weakley, OST, M-61)

The Government Small Purchase Card program (VISA International Merchant Purchase Authorization Card (I.M.P.A.C.)) is designed to streamline procurement and payment procedures and reduce administrative costs for small

purchases. By using the card, authorized individuals can efficiently obtain many supplies and services. More than 1,000 Government offices have enrolled over 90,000 Federal employees in this program.

While Federal Acquisition Regulation Subpart 13.6, Micro-purchase Procedures, authorizes Federal employees to make purchases under \$2,500 using VISA I.M.P.A.C., **that doesn't mean all Federal Acquisition Regulations have been swept aside.** The National Industries for the Blind (NIB), and the National Industries for the Severely Handicapped (NISH) **remain mandatory sources** for many supplies and services. However, **you can use the I.M.P.A.C. card to purchase many of these items through the GSA Customer Supply Centers.**

Items in the GSA Customer Supply Center Catalogs as well as the GSA Supply Catalog marked with a black box and the words "NIB/NISH Mandatory Source" must be purchased from GSA. The items available from your local Customer Supply Center include office supplies, textiles and industrial products such as paints and cleaners.

The Javits/Wagner/O'Day Act (JWOD) (Public Law 92-28) was established in 1971 to increase employment and training opportunities for people who are blind or have other severe disabilities and, whenever possible, to prepare them for competitive employment. Under

the JWOD Program, Federal agencies are required to buy products and services furnished by nonprofit agencies such as NIB and NISH, employing such individuals. As a result, these employees are often able to lead more productive and independent lives. Many JWOD items are available through GSA Customer Supply Centers.

For more information:

- on the JWOD Program, please contact Robert Hartt or Kim Putnam at the Committee For Purchase From People Who Are Blind Or Severely Disabled at (703) 603-7740.
- on establishing an account with your local GSA Customer Supply Center, please contact Barbara Weakley, OST, M-61, at (202) 366-4967.
- on how your agency can participate in the VISA I.M.P.A.C. program, please contact Kevin Mooney (202) 366-4955, Barbara Weakley (202) 366-4967, or Doris March, the GSA contracting officer, at (703) 305-6658.

CONTRACT ADMINISTRATION SUPPORT SERVICES

(by Deborah Ansell, OST, M-64)

Just a reminder that there is an interagency agreement between DOT and DOD for contract administration support services. The agreement was established in FY

1993 with the Defense Contract Management Command (DCMC) to provide contract administration support services to DOT, in accordance with FAR part 42.1, Interagency Contract Administration and Audit Services. The agreement contains basic terms and conditions under which DOT procurement offices may order contract administration services. The DCMC currently charges a reimbursement rate of \$40.30 per hour. If you have any questions or would like a copy of the agreement, please call Deborah Ansell at (202) 366-6689.

COMMERCE BUSINESS DAILY (PART I)

(by Babs Fallat, OST, M-61)

Beginning October 1, 1995, the Commerce Business Daily (CBD) will charge a flat rate of \$18.00 for each notice placed in the CBD. This is necessary because, after 45 years, Congress has not appropriated funds for the operation of the CBD in FY 1996. However, all procurement activities shall continue to publicize their procurement actions as required by FAR Part 5. If you have any questions, please contact Babs Fallat at (202) 366-4974.

COMMERCE BUSINESS DAILY (PART II)

(by Babs Fallat, OST, M-61)

We received a memorandum from the Office of Federal Procurement Policy concerning errors in synopsis

notices regarding the proper use of Numbered Note 12.

Procurements above the threshold (\$182,000) for compliance with the Trade Agreements Act of 1979 or the North American Free Trade Agreement (NAFTA) should contain proper synopsis notice in accordance with FAR 5-207(e)(2) which relates to the proper use of Numbered Note 12. The Note reads: "One or more of the items under this acquisition may be subject to Agreement on Government Procurement approved and implemented in the United States by the Trade Agreements Act of 1979." The United States has international obligations to include this note under both the NAFTA and General Agreement on Trade and Tariffs (GATT) agreements.

FAR Part 25.4 describes the scope of the Trade Agreements. If you have questions regarding the Numbered Note, please contact Babs Fallat at (202) 366-4974. If you have any questions about FAR part 25, please contact Larry Sawler at (202) 366-4287.

ANTI-SKIMMING DEVICE INVENTED

(by Bob Engle, FAA Mike Monroney Aeronautical Center)

The standard Time and Material (T&M) and Labor Hour contracts are plagued by a strong contractor temptation to pay less than the labor rates which were negotiated and used to build up the fixed composite rates of the contract. This practice,

often referred to as "skimming", raises serious questions regarding contract fulfillment, as well as ethical issues.

Such contract types are used because the Government cannot describe its work requirements with sufficient specificity to transfer outcome responsibility to the contractor. As a poor substitute, the Government agrees with the contractor on the quality of labor needed to do the tasks outlined in the generalized statement of work. The labor rate included in each of the composite rates, in essence, becomes a criterion to measure the adequacy and quality of contract performance. Consequently, when contractors pay substantially lower labor rates than those negotiated, this is prima facie evidence that contract terms are not being met. That is, the quality of labor does not measure up to the standards mutually established.

In addition, skimming causes an increase in employee attrition because of dissatisfaction with salary. Such turn-over increases the amount of training and orientation for the contractor staff and decreases the overall efficiency and value of services received for the program.

With two bad experiences as our motivation, the MMAC Office of Acquisition developed a clause which requires the contractor to certify payment of labor rates agreed upon during negotiations. These labor rates are also placed in the

contract under separate schedule from the composite rates. Only minor rate variations are permitted without contract adjustment. We have successfully used this in several recent sizable contracts and plan to routinely use it in all future T&M and Labor Hour contracts.

If you would like additional information, please call Bob Engle on (405) 954-7740, or write to him at the following address: AMQ-400, FAA Aeronautical Center, P.O. Box 25082, Oklahoma City, OK 73125. Copies of the clause are available upon request.

COMMERCIAL ITEMS -- A METHOD TO REDUCE LONG- TERM SUPPORT-ABILITY RISKS

(by Rich Boe, United States Coast Guard HQ., G-AQA)

Once a program or project manager determines that a commercial item will meet his operational requirements, the issue of long-term logistic support must be considered. With commercial items, the purchase of procurement technical documentation (PTD) is at best very expensive and oftentimes impossible. Without PTD, the Government is unable to find a new source for spare and repair parts, or alternate sources for repair services.

This is an issue because the government often uses products longer than commercial customers would consider economically feasible. Since we are often the last ones using a product (ranging from aircraft tow-tractors to computer

operating systems), we cannot get support from the original equipment manufacturer, and do not have the data to get service or parts elsewhere.

Contractors are often unwilling to provide complete design disclosure to the Government because this technical information is the reason they are in business, and they do not trust the government to protect its trade secrets.

One solution that has proven effective for some Navy activities, and one that is recommended by commercial product acquisition experts, is to use what is called a data escrow agreement. This agreement is included in the contract as a Contract Data Requirements List item (DD Form 1423). It requires the contractor to maintain a complete technical description of the product (hardware or software) in a safe location of which the Government is aware. The Government's access to the data is specifically described as follows:

- The government has the right to inspect the data to ensure that it is complete; and,
- Unlimited data rights transfer to the government when one of the following occurs:
 - the contractor or its successor is unable or unwilling to supply the item;

- the contractor or its successor has gone out of business or has filed for bankruptcy; or,
- there is no existing commercial source for the item.

The contractor's responsibilities under a data escrow agreement are described as follows:

- Keep the data current;
- Advise the government of the location of the data;
- Allow Government inspection of the data for the purpose of verifying its completeness;
- Keep data safely stored for some specified period of time (e.g., 20 years); and,
- Turn data over to the Government when one of the requiring conditions occurs.

To ensure that bidding contractors are aware of the data escrow agreement, make the willingness to enter into a data escrow agreement a source selection factor (for negotiated procurements) and part of the responsibility determination for IFBs. If they refuse to do it, you may not want to try to logistically support their product 10 years from now.

Data escrow agreements are not magic bullets. One can think of numerous scenarios by which the data disappears or is otherwise unavailable to us. But in the vast majority of cases, the long-term supportability of commercial items

can be assured by this technique. If you need more information on the mechanics of data escrow agreements, call Rich Boe at (202) 267-0620.

RECIPROCITY FOR DEBARMENT AND SUSPENSION ACTIONS

(by Ladd Hakes, OST, M-62)

Government agencies simultaneously published final rules directing that suspensions, debarments and other exclusions from procurement and nonprocurement activities have governmentwide reciprocal effect. On June 26, 1995, the Federal Acquisition Regulation and the nonprocurement debarment and suspension common rule (49 CFR part 29) were amended to provide for reciprocity of actions. The rules became final on August 25, 1995.

Prior to August 25, 1995, separate administrative actions were required to suspend or debar an entity from both procurement and nonprocurement activities. GSA published two lists of debarred or suspended entities, one for procurement and one for nonprocurement. The rule change has the immediate effect of reducing required debarment and suspension actions. The change will have the long term effect of eventually eliminating separate GSA lists. In the interim, GSA will publish three lists, one for procurement and one for nonprocurement actions effective prior to August 25, 1995, and a new list for those reciprocal actions

effective on or after August 25, 1995.

The individual DOT operating administrations administer their own nonprocurement actions. The Office of Acquisition and Grant Management is responsible for administering procurement actions.

COAST GUARD DEVELOPS CONTRACTING USER SURVEY

(by Cecelia Royster, U.S. Coast Guard HQ., G-ACS)

In order to ensure that all of its "customers" are satisfied with the services they have received from the Office of Acquisition, the Contract Support Division has developed and implemented an ongoing "User Survey" form entitled "Will You Let Us Know?" (Attachment 2). The survey form is sent to the customer upon completion of each contract award. The form requests the customer to evaluate the overall performance of the Contracting Officer, the Contract Specialist, and the Office of Acquisition's ability to overcome obstacles in the pre-award contracting process.

The survey form is a multiple choice questionnaire which rates each element of the contracting process in the categories of Excellent, Good, Average, Fair and Poor. In addition, the survey form provides the user with the opportunity to evaluate and grade the professionalism and administrative ability of both the professional and clerical staff.

The survey form is used to evaluate and improve the Office of Acquisition's procedures, performance, and employee commitment to service customers. If you have any questions or would like a copy of the survey form, please call Cecelia Royster at (202) 267-0768.

COAST GUARD DEVELOPS "PLAIN ENGLISH" SOURCE SELECTION GUIDE

(by Cecelia Royster, U.S. Coast Guard HQ., G-ACS)

In order to assist acquisition personnel and customers with the selection of sources for large dollar, competitive negotiated acquisitions, the Office of Acquisition developed a new Source Selection Guide. The new guide provides procedures derived from the Federal Acquisition Regulation (FAR) and the Transportation Acquisition Manual (TAM). In addition, the guide:

- identifies and discusses the discrete steps of the formal source selection process;
- identifies when the source selection process starts and ends; and,
- describes the roles and responsibilities of those involved in the source selection process.

In order to facilitate the "ease of use" of elements, the new Guide contains flowcharts, illustrations and "plain English" explanations of the entire source selection process. Sample documents are also provided to

assist and ensure that acquisition personnel and users complete the forms correctly on the first try. If Coast Guard acquisition customers have any questions or would like a copy of the new Source Selection Guide, please call Cecelia Royster at (202) 267-0768.

CIS TO UNDERGO MAJOR CHANGES

(by Babs Fallat, OST, M-61)

We are pleased to report that as a result of the action of the Procurement Management Council (PMC), the majority of the CIS Task Force recommendations for the Contract Information System (CIS) will be implemented by **October 15, 1995**. We will redesign the CIS ON-LINE system to make it more user friendly and more useful to the user. Here are some of the changes we will make:

1. CIS will become a real-time system.
2. The current form will be redesigned and 13 fields eliminated. The new CIS Form will mirror the FPDS Form and will be effective **October 1, 1995**.
3. All CIS entries will have full FPDS edits.
4. All current screens and menus will be redesigned to look like the form and use terminology from the contracting field.

5. All error messages will appear in the same place and will signal you when you have made an entry that is incorrect.
6. All data fields will have pull down menus to assist you with selection.
7. Contractor Location will be eliminated and Place of Performance will no longer require the FIPS codes. Instead you will enter the alpha City and State name. There will be a pull down menu to assist you in picking the correct City and State. The system will then convert to the FIPS code. All reports will show the alpha designation instead of the numeric code.
8. With the purchase of specific software, which you will be notified about later, you will be able to download your CIS information into a local PC. With the purchase of a database software, such as ACCESS, you will be able to do your own local queries of CIS information, or design your own local reports. In addition, this software will be able to print CIS information.
9. CIS will now have standard query report formats for you to print out information. These will be the report formats that you contact M-61 to prepare for you. You will also be able to print out locally the "monthly" reports which you receive from the Computer Center. We are going

to redesign some of these formats, depending on the comments from your CIS Coordinator. We will design some report formats for ACCESS, which will be made available to you, if you have ACCESS as your local relational database.

10. We will be doing a new CIS Manual which will be distributed by October 1, 1995. We will also issue a separate update to the TAM Bulletin.

The OFPP/FPDS will implement other changes, necessitated by the implementation of FASA I, by **October 1, 1996 (FY 1997)**. However, some FASA data may need to be collected during FY96. Because of this, it may become necessary to change both the CIS Form and the data fields in mid stream, e.g., during FY96. We promise to give you as much notice as possible. We recommend you contact your CIS Coordinator (See List Below) for any rumors you may hear. We will distribute everything through your coordinator, as well as through the DOTted LINE.

The Simplified Acquisition Procedures were effective July 3, 1995. Please check with your coordinator about how to enter your Simplified Acquisition Purchases in CIS or on the SF-281. In the interim, you should use the "Small Purchase" code for all Simplified Acquisitions until the new CIS Form is issued (October 1, 1995).

We will develop "how to" training programs for the new CIS and the manual. If you have suggestions for classes or how the information should be distributed, please contact your CIS Coordinator.

Our goals for FY96 will be to clean up the data in CIS, and increase accuracy through training and keeping an open communication network through the CIS Coordinators.

We hope that with these and other future changes, we can encourage those who are not ON-LINE to go ON-LINE. If you have questions about how to go ON-LINE, please contact your CIS Coordinator or Babs Fallat at the numbers shown below. The immediate future for CIS is filled with changes, but we promise to do all we can to keep you as informed as possible about these changes as they occur.

The following is a list of the CIS Coordinators. We request you contact them if you have any recommendations, comments or problems about the CIS System. We meet monthly with the coordinators to discuss the changes and problems with the system, and I am in daily contact with your representatives.

Please keep your eyes on the DOTted Line for future information about the CIS.

<u>OA</u>	<u>CIS COORDINATOR</u>	<u>PHONE NUMBER</u>
FAA	David Peterson	(202) 267-3596
USCG	Daryl Mims	(202) 267-1147
FHWA	Carleata Lee	(202) 366-4234
OST	Phaedra Johnson	(202) 366-0742
RSPA HQ	Keith O'Neill	(202) 366-5180
VOLPE	Kitty Forbes	(617) 494-2205
SLSDC	Janet Brownell	(315) 764-3206
MARAD	Rilla Gaither	(202) 366-1942
FTA	Dale Johnson	(202) 366-4980
FRA	Dana Hicks	(202) 366-0564
NHTSA	Mark Kromer	(202) 366-9571
DOT HQ	Babs Fallat	(202) 366-4974

ARTICLES FOR THE DOTted LINE

Please remember that the DOTted Line is here to help "spread the

procurement and grant news." If you have any other good ideas, some interesting tidbits you would like to share with others, or perhaps

a subject(s) you would like for us to discuss in the DOTted Line, please jot them down and send them to:

U.S. Department of Transportation
Office of Acquisition and Grant
Management
The DOTted LINE
ATTN: Dave Jordan, M-61
400 Seventh Street, S.W.
Room 9401
Washington, D.C. 20590

You may also fax your article to (202) 366-7510 or use the INTERNET and send to djordan@postmaster2.dot.gov. The deadline for the submission of articles for the next DOTted LINE is December 15, 1995.

If you have any questions pertaining to this issue of the DOTted LINE, please contact Dave Jordan at (202) 366-4265.

PROCUREMENT PERFORMANCE MEASUREMENTS AWARD WINNERS FOR 1995

<u>Measure</u>	<u>BIC</u>	<u>BIC Runner-Up</u>
Executive Leadership	FAA-Seattle	FAA-Kansas City
Quality Work Environment	FAA-Seattle	FRA
Timeliness	USCG-Alameda	FAA-Seattle
Quality	USCG-Alameda	FRA
Service/Partnership	USCG-Alameda	FAA-Seattle
Cost to Spend Ratio	FAA-Headquarters	MARAD
Cost Savings	FAA-Headquarters	MARAD
Quality Workforce	RSPA	OST
Acquisition Excellence	RSPA	USCG-Norfolk
Data Collection	USCG-Norfolk	OST
Meeting Mission Goals	USCG-Norfolk	FTA